



STATE OF NORTH CAROLINA
OFFICE OF STATE PERSONNEL
1331 MAIL SERVICE CENTER • RALEIGH, NC 27699-1331


PAT MCCRORY
GOVERNOR

C. NEAL ALEXANDER, JR.
STATE PERSONNEL DIRECTOR

July 3, 2013

MEMORANDUM

TO: Agency Human Resources Directors

FROM: C. Neal Alexander, Jr. 

SUBJECT: Processing Personnel Actions with Effective Dates of July 1 or Later

On June 26, 2013, the North Carolina General Assembly ratified House Bill 336 (Session Law 2013-184) authorizing continuing budget authority for state government operations for the month of July. The bill allows agencies to expend funds at 95% of the level at which those operations were authorized in Session Law 2012-142. Specifically, agencies are authorized to proceed with employment actions to fill vacant positions that are not subject to the proposed budget reductions in Senate Bill 402 (third edition, fifth edition or both).

Effective July 1, 2013, the annual pay for all State employees (regardless of funding source shall remain unchanged from that authorized on June 30, 2013, except that **an increase may be allowed for promotions (movement to another position as defined by State Personnel Promotion Policy)**. Acting promotion increases are allowed if the employee is being placed in the higher level position for which he/she is temporarily assuming the duties. Acting pay increases, which result in an employee receiving a salary adjustment in their current position when temporarily assuming duties of a higher level vacant position, are not allowed under the continuation budget freeze. All other salary increases are prohibited. The freeze applies to all State employees regardless of appointment type and includes State officials and persons in exempt positions as well as temporary and permanent hourly State employees.

In addition, cumulative salary adjustments for promotions may not exceed ten percent (10%) of the annual salary unless the adjustment is approved in advance by the Office of State Personnel (OSP) who will coordinate the approval with the Office of State Budget and Management (OSBM). Promotions in excess of 10% that are required by policy to take the salary to the minimum of the new salary range only require OSP approval if the agency does not have delegated authority for the classification. State agencies should forward their requests for exception to the 10% salary limit to Stan Brown at stan.brown@osp.nc.gov.

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LOCATION: 116 WEST JONES STREET • RALEIGH, NC • TELEPHONE: (919) 807-4800
WWW.OSP.STATE.NC.US

It is our understanding that agencies still have a large number of pending actions with effective dates prior to July 1, 2013 that need to be processed in order to close out FY2012-2013. Agencies will have until July 14th to complete personnel actions with effective dates prior to July 1, 2013. On July 15th, agencies can begin working actions with an effective date of July 1, 2013 through July 31, 2013. If the budget is not approved by July 15th, we will place a stop on processing any actions effective August 1 and later until the budget is approved.

If you have any questions, please contact Shari Howard at 919-807-4881.